Everbright LEGACY LAW

Guide

What does a successor trustee do?

A PRACTICAL GUIDE TO THE DAY-TO-DAY WORK OF SERVING AS TRUSTEE

Being a trustee is more than signing a few papers. Depending on the trust and the assets involved, serving as trustee can mean ongoing financial, administrative, and communication work. The amount of work varies a lot from one trust to another.

EXAMPLES OF DAY-TO-DAY TRUSTEE WORK

BANKING AND BILLS

Review bank statements, deposit income, and pay mortgages, utilities, insurance, taxes, and other expenses. Transfer money between trust accounts when appropriate and reconcile accounts.

INVESTMENTS

Review investment statements, check whether investments are still appropriate, talk with a financial advisor, approve investment changes, and keep enough cash on hand for expected expenses.

REAL ESTATE AND PROPERTY

Arrange maintenance and repairs, pay property expenses, keep insurance in place, work with tenants or property managers, and handle a sale or transfer when the trust requires it.

RECORDKEEPING

Keep receipts and statements, track income and expenses, maintain an inventory of trust assets, document significant decisions, and organize records for beneficiaries, accountants, and attorneys.

TAXES AND ACCOUNTING

Gather information for tax returns, work with the accountant, provide records and tax documents, and pay taxes and other obligations from trust assets when appropriate.

BENEFICIARY COMMUNICATION

Answer questions, provide information and reports when required, explain distributions, talk about timing and administration, and keep beneficiaries reasonably informed.

DISTRIBUTIONS

Review requests for money or property, decide whether the trust allows the distribution, document the decision, prepare checks or transfers, and keep records of every distribution.

PROFESSIONAL ADVISORS

Hire and work with attorneys, accountants, financial advisors, real estate professionals, property managers, or other professionals when needed, and review their work and invoices.

HOW MUCH TIME DOES IT TAKE?

It depends on the trust. A simple trust holding a few investment accounts may need only occasional attention. A trust with a home, rental property, business interests, several beneficiaries, or complicated distributions can take a lot more work.

Right after an incapacity or death, there's often a busier stretch: locating assets and documents, contacting financial institutions, securing property, paying immediate expenses, talking with beneficiaries, and working with the attorney and accountant.

After that, the work usually settles into a routine of reviewing statements, paying expenses, making required distributions, keeping beneficiaries informed, and maintaining records.

IF THE GRANTOR IS INCAPACITATED

You may need to manage the grantor's financial affairs through the trust. For example, you may pay expenses, manage investments, maintain a home, arrange repairs, and make distributions the trust authorizes. Coordinate with the grantor's agent under a power of attorney and other professionals as needed. Serving as trustee doesn't give you authority to make health care decisions.

AFTER THE GRANTOR DIES

The job generally shifts from ongoing management to trust administration and distribution. That can include collecting and valuing assets, figuring out what passes through the trust, paying appropriate expenses, coordinating tax and accounting work, keeping beneficiaries informed, and distributing property according to the trust.

A TYPICAL TRUSTEE ROUTINE

Monthly or as needed	Quarterly or periodically	Annually or when required
Pay bills and expenses	Review bank and investment statements	Work with the accountant on tax filings
Handle maintenance or property issues	Review trust income and expenses	Provide required tax information to beneficiaries
Respond to beneficiary requests	Check insurance and major assets	Review whether distributions are required
Make authorized distributions	Communicate with advisors	Organize and keep trust records

REMEMBER

- You don't have to do everything yourself. Trustees commonly work with attorneys, accountants, financial advisors, property managers, and other professionals.
- You do need to keep good records and make sure trust transactions are handled properly.
- Don't use trust property for your own benefit, and don't make a distribution just because you think it's fair. The trust controls what you can do.
- If you aren't sure you have authority to take an action, ask the attorney before acting.

Minnesota law: Minnesota's Trust Code is mainly found in Minn. Stat. Chapter 501C. Trustee duties, powers, administration, information and reporting, and investment rules are covered throughout that chapter.

This is a general educational guide, not legal advice. Review the trust document before taking action, because its terms may change your responsibilities.

Questions? Call Everbright Legacy Law at (952) 925-4147.